



FEDERAL ELECTION COMMISSION
Washington, DC 20463

JAN 31 2014

Louis Baglietto, Jr.
Liberatore for Congress-2012
16800 Valley View Avenue
La Miranda, CA 90638

Re: MUR 6774

Dear Mr. Baglietto, Jr.:

In the normal course of carrying out its supervisory responsibilities, the Federal Election Commission (the "Commission") became aware of information suggesting Liberatore for Congress-2012 (the "Committee") and you in your official capacity as treasurer may have violated the Federal Election Campaign Act of 1971, as amended (the "Act"). On January 16, 2014, the Commission found reason to believe that the Committee and you in your official capacity as treasurer violated 2 U.S.C. § 434(b), a provision of the Act. Enclosed is the Factual and Legal Analysis that sets forth the basis for the Commission's determination.

We have also enclosed a brief description of the Commission's procedures for handling possible violations of the Act. In addition, please note that you have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519. In the meantime, this matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed Designation of Counsel form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

We look forward to your response.

On behalf of the Commission,

A handwritten signature in black ink, appearing to read "Lee E. Goodman", written over a horizontal line.

Lee E. Goodman
Chair

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form

cc: Philip Laurence Liberatore
16800 Valley View Avenue
La Miranda, CA 90638

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1 **FEDERAL ELECTION COMMISSION**

2 **FACTUAL AND LEGAL ANALYSIS**

3 **RESPONDENTS:** Liberatore for Congress-2012 and Louis G. MUR 6774
4 Baglietto, Jr. in his official capacity as treasurer
5

6 **I. GENERATION OF MATTER**

7 This matter was generated based on information ascertained by the Federal Election
8 Commission (the "Commission") in the normal course of carrying out its supervisory
9 responsibilities. See 2 U.S.C. § 437g(a)(2). The Reports Analysis Division ("RAD") referred
10 Liberatore for Congress-2012 and Louis G. Baglietto, Jr. in his official capacity as treasurer (the
11 "Committee") to the Office of General Counsel ("OGC") for failing to disclose receipts of
12 \$600,000 in its original 2012 12 Day Pre-Primary Report. Based on the available information,
13 the Commission opened a matter under review ("MUR") in connection with RR 13L-03 and
14 finds reason to believe that the Committee violated 2 U.S.C. § 434(b) by failing to disclose
15 receipts accurately to the Commission.

16 **II. FACTS**

17 The Committee is the principal campaign committee of Philip L. Liberatore, a candidate
18 in the 2012 primary for the U.S. House of Representatives in California's Eighth Congressional
19 District. Louis G. Baglietto, Jr. is the Committee's treasurer.

20 On May 25, 2012, the Committee filed its original 2012 12 Day Pre-Primary Report
21 covering the period from April 1, 2012 through May 16, 2012, which disclosed \$243,156 in
22 receipts. The receipts included three loans totaling \$200,000 from Liberatore (\$50,000 on April
23 3, 2012; \$50,000 on April 18, 2012; and \$100,000 on April 30, 2012). Thereafter, on July 17,
24 2012, the Committee filed an Amended 2012 12 Day Pre-Primary Report disclosing receipts
25 totaling \$843,156, an increase of \$600,000 from the original report. The additional receipts

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1 consisted of two more loans from Liberatore (\$100,000 on May 6, 2012 and \$500,000 on May
2 11, 2012).

3 On August 24, 2012, RAD sent the Committee a Request for Additional Information
4 ("RFAI") requesting clarification of the substantial increase in receipts that were not disclosed in
5 the original filing. RAD contacted the treasurer and the candidate on several occasions to
6 provide the Committee an opportunity to explain the omitted receipts, but the Committee has
7 provided no explanation to date. The Committee filed a second Amended 2012 12 Day Pre-
8 Primary Report on October 24, 2012. That amendment, however, disclosed no change in
9 receipts from the previous amendment and provided no explanation for the omitted receipts.

10 RAD referred the Committee to OGC and upon receipt of the Referral, OGC notified the
11 Committee about this matter on February 28, 2013. *See Agency Procedure for Notice to*
12 *Respondents in Non-Complaint Generated Matters*, 74 Fed. Reg. 38,617 (Aug. 4, 2009). The
13 Committee has not responded to the notification.

14 III. ANALYSIS

15 The Federal Election Campaign Act of 1971, as amended (the "Act"), requires committee
16 treasurers to file reports of receipts and disbursements in accordance with the provisions of
17 2 U.S.C. § 434. 2 U.S.C. § 434(a)(1); 11 C.F.R. § 104.1(a). These reports must include, *inter*
18 *alia*, the total amount of receipts, the total amount of all loans made by the candidate to his
19 authorized committee, and the date and amount of each loan. 2 U.S.C. § 434(b)(2), (3)(E); 11
20 C.F.R. § 104.3(a)(3)(vii), (4)(iv).

21 Here, the Committee did not comply with the Act's reporting requirements when it failed
22 to disclose a total of \$600,000 in receipts on its original 2012 12 Day Pre-Primary Report.

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- 1 Therefore, the Commission finds reason to believe that Liberatore for Congress-2012 and Louis
- 2 G. Baglietto, Jr. in his official capacity as treasurer violated 2 U.S.C. § 434(b).

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